HOUSING MARKET ASSESSMENT

Moncton CMA

CANADA MORTGAGE AND HOUSING CORPORATION

Third Quarter 2018

Overall, the degree of market vulnerability remains low

- Overall, there is a low degree of vulnerability for the Moncton CMA.
- Buoyed by increased immigration and improved labour market conditions, Moncton is witnessing record house sales so far this year. Sales increased 18% in the first quarter of 2018 compared to 2017.
- Average resale price increased 4% in the first quarter of 2018 compared to the same period in 2017[1].

Sales-to-new listings at multi-year historical high

- The overheating factor, which indicates demand is too strong relative to supply, decreased in first quarter of 2018, having increased for eight consecutive quarters prior to the last quarter of 2018.
- The sales-to-new listings ratio decreased slightly in 2018 Q1 to 63% from a 10-year high of 67% observed in the last quarter of 2017, but it was still close to the 70% threshold.
- Construction of new single family homes in Moncton is trending downwards. In fact, the CMA has experienced one of the slowest housing construction starts in years so far in 2018. This coupled with very low inventories of completed and unabsorbed housing units is putting downward pressure on listings which are at historical multi-year lows.
- The indicators of overbuilding, price acceleration and overvaluation remained below the thresholds that correspond to problematic conditions.

Figure 1

Low Evidence of Overheating

Source: CREA and calculations (threshold) by CMHC.

[1] Results are based on data as of the end of March 2018 and local market intelligence up to the end of June 2018. CMHC continuously monitors market developments and will issue HMA updates on a quaterly basis. A detailed description of the framework is available in the appendix of the National edition.

Results Overview
Moncton CMA

	Apr. 2018	Jul. 2018
Overheating		
Price Acceleration		
Overvaluation		
Overbuilding		
Overall Assessment		

Degree of vulnerability
■ High ■ Moderate ■ Low

Kelvin Ndoro
Senior Analyst, Economics

"Overall, there is a low degree of vulnerability for the Moncton CMA. However, monthly house sales in Moncton CMA are setting records while listings remain at historical multi-year lows, and still falling. Resale price growth can be expected if demand continues to outpace supply."

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